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ABSTRACT

This fact sheet identifies some of the basic premises of employer-sponsored training and reviews two studies that surveyed the quantity of occupational training in industry. Highlights and statistics from a 1977 study by Seymour Lusterman entitled "Education in Industry," and a 1975 study by the Bureau of Labor Statistics entitled "Occupational Training in Selected Metalwork Industries, 1974" present findings concerning percentages of companies which provide training programs, types of programs offered, percentages of employees participating in training, reasons why companies have training programs, and budget and personnel allocations for training. Three identified categories of training are listed: essential, remedial, and beneficial. The following on-site and off-site training methods are described: (1) on-the-job training (OJT); (2) coaching; (3) job rotation; (4) lecture; (5) audiovisual; (6) computer-assisted instruction; and (7) equipment simulators. Three professional journals are listed as sources of information on this topic along with a bibliography citing six resources, three of which are available from the Educational Resources Information Center (ERIC) system. (DC)

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# Employer-Sponsored Training.

OVERVIEW: ERIC Fact Sheet No. 17.

by

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ERIC OVERVIEW

FACT SHEET No. 17
Clearinghouse on Adult, Career, and Vocational Education

# EMPLOYER-SPONSORED TRAINING

Access to over 3,000 documents related to training can be obtained through ERIC. This overview identifies some of the basic premises of employer-sponsored training and also provides references to two surveys that contain comprehensive data on employer-sponsored training programs.

## RESEARCH FINDINGS

Two studies have attempted extensive measures of the quantity of occupational training in industry: the *Education in Industry* (1977) study by Lusterman for the Conference Board, and the Bureau of Labor Statistics (BLS, U.S. Dept. of Labor, 1975) study entitled *Occupational Training in Selected Metalwork Industries, 1974.*

### The Lusterman Study

This survey of corporate education and training programs was based on a mailed questionnaire sent to a sample of 2,798 companies, selected as representative of all United States firms having at least 500 employees. It was estimated that there were 7,600 such firms employing about 32 million persons, or 52 percent of the 62.5 million people who were in private nonagricultural employment when the survey was conducted in the fall of 1975.

### A Few Highlights

- Seventy-five percent of all companies provided some in-house courses for their employees. Eighty-nine percent had tuition-aid or refund programs, and 74 percent authorized some of their employees, principally managers and professionals, to take outside courses during work hours.
- Eleven percent of all employees took part in inhouse courses provided by their companies during working hours, and 2 percent were enrolled in company courses given during nonworking hours.
- While 42 percent of the firms in this survey employed full-time education-training personnel, only 17 percent have employees who devote all or most of their time to teaching. Such employees are found disproportionately in the larger firms in the financial and transportation/communication/utilities group. In companies that do not employ any full-time education and training specialists, inhouse programs are assigned to employees who have other primary duties and to outside institutions and consultants.

### The BLS Study

This survey of training in industry was based on a mailed questionnaire sent to 4,776 establishments in selected metalwork industries employing one or more workers.

### A Few Highlights

- Establishments provided training primarily because they felt job skills could best be taught in their own training programs and because the education and/or training background of their employees was inadequate.
- Enrollments in registered apprenticeship programs accounted for about 46 percent of qualifying on-the-job training in the fourteen occupations.
- Many companies used both their own and outside facilities for training. About 94 percent used company-owned facilities; 43 percent used other facilities.
- Only 2 percent of the 99,300 training instructors taught full-time.
- About five-sixths of the establishments that provided training did not have a specific budget allocation for training.
- Only 15 percent of all establishments in the four metalworking industries selected provided structured occupational training in the fourteen occupations studied in 1974.
- The likelihood of establishments offering structured training generally increased as their employment size increased.
- More than two-thirds of all structured occupational training was provided on the job.

### Why Do Companies Train?

The reason most frequently given by employers in the BLS study for providing training was that necessary job skills could best be learned through the employer's own training program. Business and industry have invested heavily in training. Estimates of training expenditures range anywhere from $30 billion to $100 billion nationwide per year. The continued support for training suggests that training may be cost-effective and is a necessary component of industrial development, although this topic hasn't been thoroughly explored.

Training within industry falls into three functional categories:

1. *Essential* — training that builds employees' skills and meets skill needs of employers in the context of a single company, occupation, or industry.
2. *Remedial* — training that compensates for a lack of basic skills or specific occupational skills or that assists in improving the economic position of workers who have experienced labor market disadvantages. Basic education, skill training, and counseling may be involved.
3. *Beneficial* — training that may or may not be vocationally useful that benefits the employee more than the employer.

Currently, almost all the resources are being allocated to essential training, but alternative ideas about training are being introduced through participative management and the introduction of quality control circles.

### Training Methods

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There are numerous techniques used for presenting information and new skills to employees. They can generally be classed as on-site methods or off-site methods. On-site methods are train



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ing techniques used at the actual work place, and off-site methods are those techniques used in a classroom or similar setting away from the work site. A few of each type will be described.

### On-Site Methods

**On-the-Job Training** (OJT). This most widely used training method involves assigning new employees to experienced workers or supervisors. The trainee is expected to learn the job by observing the experienced employee and by working with the actual materials, personnel, and/or machinery that will comprise the job once formal training is completed. OJT has several positive features, one of which is its economy. Trainees learn while producing, thereby partially offsetting the cost of their instruction. The method facilitates positive transfer of training, since the learning and actual job situations are identical.

**Coaching.** In coaching, a supervisor helps a subordinate meet specific needs. Coaching serves a number of important functions within an organization. It (1) lets subordinates know what their supervisors think about how they do their jobs, (2) enables supervisors and employees to work together on ways in which employees can improve their performance, and (3) improves communication and collaboration between supervisors and employees.

**Job Rotation.** Job rotation involves giving trainees a series of job assignments in various areas within the organization. The idea is to expose individuals to a number of work areas with specific responsibilities at each location. It is important that trainees become personally involved at each location. The best way to do this is to assign them full functional responsibility with ample opportunity to exercise judgment and make decisions. This responsibility should be supplemented with supportive coaching from an immediate supervisor in each job assignment. With job rotation, trainees gain an overall perspective of the organization and an understanding of the interrelationships among its various parts.

There is a lack of evaluative studies in the professional literature concerning these on-site techniques. Most of what is called evaluation is based on logical analysis and common sense.

### Off-Site Methods

**Lecture.** The lecture method has been criticized as a training technique. The format is thought to be analogous to an authoritarian structure because of its one-way flow of communication from trainer to trainee. When the lecture method is employed, the learner is a passive participant required primarily to listen. A lecture can be particularly beneficial when it introduces some new areas of content or provides oral directions for learning some skills that will eventually be developed through other instructional methods.

**Audiovisual Techniques.** Many organizations have begun to use audiovisual techniques such as films, closed circuit television, audiotapes, and videotape recording. These methods allow for the instructor's message to be given in a uniform manner in repeated training activities.

**Computer-assisted Instruction.** Computer-assisted instruction allows the trainee to interact directly with a computer by means of computer terminals. Computer systems can be individualized, self-paced, and can collect data for use in feedback to the trainee and for use by the trainer in evaluating the trainee's performance.

**Equipment Simulators.** For some types of jobs (e.g., those of pilot and machine operators) it is either too expensive, inefficient, or dangerous to train workers on equipment used to perform the job. In these cases, facsimiles or simulators of the equipment that would actually be used on the job are set up away from the actual work situation. Under these conditions, hazards are removed, time pressures for productivity are minimized, individualized feedback is increased, and opportunities for repeated practice are provided. Although equipment simulators are expensive to implement, there is something quite appealing about training people on a replica of the "real thing," so as to ensure maximum positive transfer of training.

### Where Do We Go from Here?

Given the economic condition of the country, new demands are going to be made of employer-sponsored training. The need for more efficiency, more productivity, and lower costs will lead to a need for more and more training. Technological advancements in training systems and management of human resources will be the two key areas to watch in the future. An up-to-date description of programs, new techniques, and overviews of the field can be obtained by reviewing past issues of *Training and Development Journal* (American Society for Training and Development), *Performance and Instruction* (National Society for Performance and Instruction), and *Training: The Magazine of Human Resources Development* (Lakewood Publications, Inc.).

## REFERENCES

This overview is based on the following publications:

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